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February 6, 2011

## MOTION

WE MOVE that in developing the Request for Proposals (RFP) for electric power supply for the city's opt-out aggregation program, the administration request responses from potential suppliers reflecting 100% renewable energy credit (REC)-based sources of electric supply and weigh these responses among other criteria such as proposed rates, aggregation experience, and financial stability of the company in choosing a supplier.

WE FURTHER MOVE that the administration begin to develop criteria for programs to further enable residential and small commercial consumers to implement energy efficiency measures.

WE FURTHER MOVE that the administration develop criteria for the RFP requiring disclosure of whether and to what extent a responding bidder's natural gas supply has been extracted through hydraulic fracturing, also known as fracking, from recently developed shale formations, and to weigh these responses among other criteria such as proposed rates, aggregation experience, and financial stability of the company in choosing a supplier.

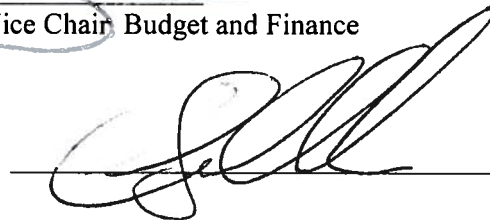
WE FURTHER MOVE that the administration include in the RFP a requirement that the Contractor will use best efforts to recruit and maximize the participation of all qualified segments of the business community in subcontracting work, including the utilization of small, minority and women business enterprises. This includes the use of practices such as assuring the inclusion of qualified Small Business Enterprises (SBE) that are certified by the City's Office of Contract Compliance in bid solicitations and dividing large contracts into smaller contracts when economically feasible.



Vice Mayor Roxanne Qualls – Chair, Budget and Finance



Councilmember Wendell Young – Vice Chair Budget and Finance



Laure Quintipan

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## STATEMENT

On November 8, 2011, Cincinnati voters overwhelmingly approved Issues 44 and 45, which authorized the city to negotiate group buying rates for electricity and natural gas for eligible residential and small businesses. The administration is now in the process of preparing the governance and operation plan for the programs as required by state law and will soon issue Requests for Proposals (RFP) from potential providers.

The potential savings from aggregation are the major benefit that prompted City Council to put the measures on the ballot.

Aggregation can also be a tool to make greener power and energy efficiency available to members of the buying group; by leveraging the buying group's size, aggregation should facilitate making investments in green power and energy efficiency affordable and available to all members of the buying group.

For example, as part of the RFP, the administration can require that potential providers disclose their power supply mix, and can request pricing for renewable sources of energy, so that the administration can evaluate not only the savings from each potential provider, but also the ability to purchase renewable sources of power. Cincinnati can take advantage of the opportunity presented by aggregation to seek renewable sources of power by including language in the RFP asking for pricing not only for the provider's standard fuel mix, but also for pricing for supply mix that is renewable.

The Village of Oak Park, Illinois recently negotiated a contract for electric power supply that included 100% renewable energy sources. Oak Park solicited bids for both a lowest rate alternative and an alternative for a cleaner, greener supply of electric power. The winning bidder provided a bid that offered rates so close for the two alternatives that the village's review committee recommended accepting the bid for 100% renewable power supply (see attachments for a comparison of bids received and for the village's plan of governance) because it not only provided significant savings, but also allowed Oak Park to become the first community in Illinois to choose a supply mix that dramatically reduces its greenhouse gas emissions.

Fracking is a controversial method of natural gas extraction that has drawn increasing criticism because of concerns that it causes groundwater contamination and other serious environmental harm.